

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on March 19, 2001 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Gary Matthews, Vice Chairman (D)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Roy Brown (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Dennis Himmelberger (R)
Rep. Carol C. Juneau (D)
Rep. Jim Keane (D)
Rep. Rick Laible (R)
Rep. Bob Lawson (R)
Rep. John Musgrove (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Donald Steinbeisser (R)
Rep. James Whitaker (R)

Members Excused: Rep. Rod Bitney, Vice Chairman (R)
Rep. Kathleen Galvin-Halcro (D)
Rep. Brett Tramelli (D)

Members Absent: None.

Staff Present: Gordon Higgins, Legislative Branch
Jane Nofsinger, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB242, SB373, SB450, SB313,
3/15/2001
Executive Action: SB145, SB151, SB323, SB450,
SB313, SB330, SB428

HEARING ON SB242

Sponsor: SEN. JERRY O'NEIL, SD42, KALISPELL

Proponents: Steve Hutchings, Building Inspector, City of Missoula
Charles Brooks, City of Billings, Yellowstone County
Joe Mazurek, City of Great Falls
Linda Stoll, Missoula County
Alec Hansen, Montana League of Cities & Counties

Opponents: Steve White, self, Gallatin County
Dick Rossignol, self, Missoula County
Bobbi Rossignol, self, Missoula County
Bruce Simon, self, Yellowstone County

Opening Statement by Sponsor:

SEN. JERRY O'NEIL, SD42, KALISPELL, said no person should be deprived of their liberty and rights without due process of law and this includes the right to vote. This bill repeals the extraterritorial reach of cities beyond their boundaries to enforce law and regulations on citizens within an area lying outside the city which has been dubbed "the donut area." He said the citizens of this "donut area" should be allowed to vote for the city council and the city mayor, and he said he did not believe the city should be able to zone these areas without "say-so" from the citizens. He asked the committee to approve SB242, and take out the amendments put in by the Senate.

Proponents' Testimony:

Mr. Hutchings asked the committee to support the bill as written and amended.

Mr. Brooks said he supported the bill with the amendments which were added in the Senate. He said Yellowstone County feels this is a local jurisdiction issue. He stated they have a joint city-county planning board and an appeal board. He also said there was a 4 ½ mile "donut area" around the City of Billings in Yellowstone County.

Mr. Mazurek said he had appeared in the Senate as an opponent and in the process offered an amendment, and he now supported the bill in its current form. He said he would oppose the bill if the committee removed the amendment.

Ms. Stoll said the county can contract with the city for building code enforcement. She said she thought this made the service more efficient.

Opponents' Testimony:

Mr. White said had a ranch 3 miles outside of Bozeman which had been in his family for 125 years. He stated the government derives its consent from the governed, and the government is founded for the good of the people. He asked the committee to remove the amendment added on the Senate side. He said he had testified on a similar bill 4 years ago and within 10 days of his testimony he had received a cease and desist order. He was told he was in the jurisdiction of the City of Bozeman. He was forced to stop his small building project, his permit was revoked, Montana Power was disconnected, and the price of the permit was doubled. He said this bill was not about building permits, it was about the right of representation. He quoted the Missoula mayor who said, "Frankly, I don't think these people should have any vote at all." He said the citizens who appeared against the bill in the Senate Judiciary were paid lobbyists and county employees. He said it is hard for citizens from across the state to appear at an 8:00 a.m. hearing. He said he had never seen the amendment before it was proposed in the Senate and he still had not seen them. He added he was tired of fighting this issue and was ready to be free from a government he had no voice in.

EXHIBIT (buh62a01) EXHIBIT (buh62a02)

Mr. Rossignol told the committee he was currently up on criminal charges for putting siding on his house in Lolo. He said the amendment put on in the Senate ruined this bill. He asked the committee to strip the amendment or table the bill. He presented written testimony which he said he had worked on for two years and contained every argument about why the "donut area" was bad. He said to get rid of the "donut area" would not get rid of building regulations, because the state building codes would apply. **EXHIBIT (buh62a03)**

Ms. Rossignol noted that the usual proponents of this bill were now opponents. She said this issue has involved her family in a legal fight. She said the City of Missoula was afraid of a loss of revenue. She explained her family just wanted to be free of an unfair law. She testified she had obtained 600 signatures from the Lolo area to support them, and that the bank had set up a defense fund for their family to help them fight their case. She noted that the current **Governor** had stated if she had been governor last session when this bill passed, she would have signed "the donut bill." She said the City of Missoula has been heavy-handed with them, keeping files on their family and writing letters concerning their activities. She asked them to take the amendment off the bill or to not let it out of committee.

EXHIBIT (buh62a04)

Mr. Simon said he was appearing as a private citizen that day, however, he had been the chairman of this committee last session. He told the committee that the Senate amendments had turned the bill upside down. He said he would like to see the bill returned to its original form. He suggested one additional amendment should be added which would be a retroactivity law. "This bill needs one," he said. He continued that this bill was not about building codes but was about citizens' rights.

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He said what is wrong with the amendment is it doesn't change anything but puts the bill "right back where we are now, and makes you think you are doing something." He said citizens' rights are the basis of our government, and that was what this bill was about. He urged the committee to strip the amendments and place the bill back in its original form. "If you do that, I will be a strong proponent," he said.

Informational Witness:

Eric Fehlig, State Building Codes Division, presented a list of eight cities that enforce building codes outside their area. He said the amendment would allow the counties to designate certain areas where they would like to enforce building codes.

EXHIBIT (buh62a05)

Questions from Committee Members and Responses:

REP. BOOKOUT-REINICKE asked where HB457, the other bill which addressed this issue was. **SEN. O'NEIL** said it was in the Senate last Friday where some amendments were offered which were probably the same bad ones as were put on SB242.

REP. BROWN said to **Mr. Brooks** that last session after the **Governor** vetoed this bill, a series of meetings had been held to come up with a solution. He asked if he had attended those meetings. **Mr. Brooks** said he had. **REP. BROWN** said the idea of an appeal board had been brought up in the meetings which would include county and city people within an appeal area. He said maybe this was not the best solution but it solved the problem for the interim. He said he did not see anything about this system in the bill, yet he agreed this solution had been reached, and he asked him to comment. **Mr. Brooks** said that the people in Yellowstone felt they had solved the problem. He said the county commissioners are elected so the people in the 4 ½ mile area have the opportunity to elect the officials and have say-so.

REP. BROWN asked **Mr. Simon** the same question. **Mr. Simon** said he was not invited to the meetings, and people who were not in favor

of doing away with the "donut" were there. He said they only included the voices they wanted to hear. "I was the sponsor of the bill, and they did not invite me," he said. He said they are so proud of their appeal system, however, a 2X6 or 2X4 can be appealed, but a building permit and fees are not appealable. They require a permit for a farm and ranch building, he said. He called the appeal system they set up "less than a band-aid on a gunshot wound." He pointed out the City of Billings was less than 33 square miles, however, the "donut area" was over 200 square miles. He said this issue is about money for the cities.

REP. LAIBLE asked **Mr. Brooks** if he had said there was representation because the citizens are allowed to vote on the county commission, and asked if these were county codes. **Mr. Brooks** said they have a joint city-county planning board. **REP. LAIBLE** said, "You didn't answer my question, are they city or county codes?" **Mr. Brooks** said they were city. **REP. LAIBLE** asked if the citizens in the donut area were able to vote in city elections. **Mr. Brooks** replied certainly not.

REP. LAWSON asked **Mr. Kukulsky** to tell how the situation worked in Kalispell. **Mr. Kukulsky** presented letter of testimony.

EXHIBIT (buh62a06) He said the City Council had passed a motion in opposition to SB242. He said they had the highest population in an unincorporated area in Montana. He said losing the "donut area" would be detrimental to his city.

CHAIRMAN MCKENNEY gave **Mr. Hansen** an opportunity to speak because he had arrived late to the hearing and was confused on the time. **Mr. Hansen** said he strongly opposed SB2424 in the Senate, but the amendment took away some of his opposition. He said the amendment says the code can be enforced in less than the whole county so it can be enforced where it is needed and where it is important. He said he felt the county was responsible to enforce the code so that took care of the problem of representative government.

REP. LAWSON asked **Mr. Kukulski** how he thought the amendment affected Kalispell, Whitefish and Columbia Falls. **Mr. Kukulski** said in general he supported it because he did not like the idea of having homes not built to code in dense areas of population.

{Tape : 2; Side : A; Approx. Time Counter : 0}

REP. BROWN asked **Mr. Simon** to comment on the fact that if the bill passed without the amendment, buildings would not be subject to codes. **Mr. Simon** explained that building codes are in a separate section and that when buildings are constructed anywhere in Montana electrical permits have to be obtained. He said plumbing permits have to be obtained if the structure is on a

public water supply. He also noted that banks require a quality inspection. He said this issue was all about money and not codes. He said that previous legislatures have decided that full permits are not necessary for every structure, only plumbing and electrical permits.

REP. WHITAKER asked **Mr. Mazurek** what was the city's jurisdiction in Great Falls. **Mr. Mazurek** said it didn't have any except within the city limits. He said he was there to testify because he believed in the general concept and in the event that Great Falls may want extraterritorial jurisdiction.

Further written testimony from Neil Poulsen of Bozeman, **EXHIBIT (buh62a07)**, and Kelly Ellis of Lolo, **EXHIBIT (buh62a08)**, were presented.

Closing by Sponsor:

SEN. O'NEIL said the proponents were arguing that leaving the amendment on the bill would keep it constitutional, but he said having no representation was not constitutional at all if the counties could select certain sections of the county. He said he would be happy to see the amendment stripped from the bill.

HEARING ON SB450

Sponsor: **SEN. DUANE GRIMES, SD20, CLANCY**

Proponents: **Greg Van Horssen, State Farm**
John Metropolous, Farmers Insurance
Joe Mazurek, D.A. Davidson

Opponents: None

Opening Statement by Sponsor:

SEN. DUANE GRIMES, SD20, CLANCY said this bill would correct an unintended consequence of a 1977 law. He said the act would exclude services performed by securities and insurance salespeople paid solely by commission, with no guarantee of minimum earnings from the definition of employment.

Proponents' Testimony:

Mr. Van Horssen said this bill re-establishes that insurance people paid on a commission basis are not employees for the purposes of unemployment and workmen's compensation laws. He said

a part of the amendment to the 1997 law took this small class of people of a tax bill made at or near transmittal so it wasn't caught. He said this bill returns them the pre-1977 status of these sales people. He noted most states do this and this bill brings Montana back in line with the others. He said he agreed with the amendment offered by the Department of Labor and Industry, and he asked for a do concur.

Mr. Metropolous and **Mr. Mazurek** agreed and supported the bill.

Opponents' Testimony: None.

Informational Witness:

Kevin Braun, Department of Labor and Industry, presented a letter from the federal government and the amendments. **EXHIBIT (buh62a09)**

Questions from Committee Members and Responses: None

Closing by Sponsor:

SEN. GRIMES asked for the committee to use their discretion in selecting a House sponsor.

HEARING ON SB313

Sponsor: **SEN. FRED THOMAS, SD31, BITTERROOT**

Proponents: **Dee Puyear, MREA**
Lance Melton, MSBA
Eric Burke, MEA / MFT

Opponents: None

Opening Statement by Sponsor:

SEN. THOMAS, SD31, BITTERROOT, said this act authorizes a school district to depreciate technological equipment as an authorized use of the technology acquisition and depreciation fund and requires voter approval for a levy to increase the district's funds to support technology. He said these funds and depreciation would be available if a school district wished to take advantage of the opportunity. He said the purpose was to keep schools as up to date as possible with technology and the internet for learning and research.

Proponents' Testimony:

Mr. Puyear said he was a strong supporter of the bill and thanked **SEN. THOMAS** for bringing the bill on their behalf. He said schools need training, equipment and software. He added that schools need to focus on the world of business and what the future needs of that world are. "I am a former superintendent," he said. He said he thought schools needed to provide a systematic process for acquiring equipment. He said this bill was patterned after the school depreciation fund which encouraged districts to set up funds systematically and plan long-term. He said investing was not the problem, planning was.

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Mr. Melton said he agreed with **Mr. Puyear**. He presented the committee some charts. **EXHIBIT (buh62a10)** He said the charts showed the exponential growth of the internet. He explained the bill would change the technological equipment from a budgeted, which can be spent any time, to a non-budgeted fund, which must be met annually.

Mr. Burke agreed with previous testimony saying the districts needs a constant revenue source.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. BOOKOUT-REINICKE asked the delegation of students from Scobey to tell the committee about their computers and equipment. A student named **Meaghan** said she felt their computers were advanced. She said this year they had done their annual entirely with their computers. She said they were able to make videos of their basketball games, also. She said she felt their teachers were knowledgeable about the equipment. She commented that her previous computer teacher was "super!"

REP. LAIBLE asked why they called it a depreciation fund. **Mr. Melton** said because they wanted it not only for the first purchase, but to be able to replace the equipment.

Closing by Sponsor:

SEN. GRIMES closed the hearing and asked for the committees support.

HEARING ON SB373

Sponsor: SEN. MIKE HALLIGAN, SD34, MISSOULA

Proponents: Claudia Clifford, State Auditor's Office
Robert Minto, Attorney Liability Protection Society
Roger McGlenn, IIAM
REP. RICK LAIBLE, HD59
Al Pontrelli, MAIFI
Jacqueline Lenmark, AIA

Opponents: None

Opening Statement by Sponsor:

SEN. MIKE HALLIGAN, SD34, MISSOULA, said this act allows captive insurance companies to transact business in this state, and provides definitions, licensing and requirements. He said they can only provide casualty insurance, and not life, health or workmen's compensation. He called this a clean job creation bill.
EXHIBIT (buh62a11)

Proponents' Testimony:

Ms. Clifford said this idea was brought to their office by Bob Minto. She said he was there to testify and that he had experience with 17 other states who licensed captive insurers. She said this bill would create good, clean, high-paying jobs. She said it would give the opportunity to attract some national large businesses to our state, or allow or current businesses to form captive companies. She said this bill was modeled after Vermont's. She said she knew of one amendment to be offered by Jacqueline Lenmark, and she would like to work through it with her.

Mr. Minto said he would have formed as a captive if this law had been in place in 1987. He said his company started with 3 employees in 1987 and now had 55.

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He said there is an "association captive" and an "industrial captive." He said the tax deduction is very attractive. He said he knew of companies who probably would locate here if the law passed. He said these companies do not deal with consumer protection issues like homeowners. For example, he said, a one million dollar risk would involve self-retention up to one million and after that a working level of re-insurance.

Mr. McGlenn supported the bill and said it was a valuable tool which made sense. He said his association had formed a task force to investigate the possibility.

REP. LAIBLE said states that have this are significant tourism states like Utah, Vermont and Colorado. He noted they must have a Board of Directors meeting once a year and that people like to go to state where they can take their families, plus it is tax deductible. He said tourist revenue is a significant part of the state's budget. He said this should be considered as well as the good, clean, high-paying jobs which would be created.

Mr. Pontrelli said he supported the bill and knew **Mr. Minto**, who he felt was an expert. He said this bill brings something needed to Montana.

Ms. Lenmark said she had some technical concerns with the bill which she felt could be addressed by the amendments she offered.

EXHIBIT (buh62a12)

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. BOOKOUT-REINICKE asked **SEN. HALLIGAN** if the bill was revenue neutral. **SEN. HALLIGAN** said there was some tax advantage brought about by the creation of jobs.

REP. PRICE asked **Mr. Minto** if there was an annual inspection. **Mr. Minto** said there was an annual audit, and a tri-annual exam.

Closing by Sponsor:

SEN. HALLIGAN closed by thanking the committee for listening to a new concept which built in incentives and allowed some coverage. He said **REP. LAIBLE** would carry the bill in the House.

EXECUTIVE ACTION ON SB450

Motion: **REP. BOOKOUT-REINICKE** moved that **SB450 BE CONCURRED IN.**

Discussion:

Motion/Vote: **REP. GALLIK** moved that **SB450 BE AMENDED.** Motion carried unanimously.

Motion/Vote: REP. GALLIK moved that **SB450 BE CONCURRED IN AS AMENDED. Motion carried unanimously.**

REP. PRICE will carry the bill in the House.

EXECUTIVE ACTION ON SB313

Motion: REP. BOOKOUT-REINICKE moved that **SB313 BE CONCURRED IN.**

Discussion:

REP. WHITAKER said he was concerned about the long-range impact and asked if they needed another fiscal note.

CHAIRMAN MCKENNEY replied it was more a local property tax issue, not the General Fund.

Vote: Motion **carried unanimously.**

REP. LAIBLE will carry the bill in the House.

EXECUTIVE ACTION ON SB323

Motion: REP. LAIBLE moved that **SB323 BE CONCURRED IN.**

Discussion:

REP. LAIBLE said he supported the bill.

REP. GALLIK said he opposed the bill because its intentions were alright but it took them too far, especially by removing the omissions part. He said he believed the bill was unconstitutional.

REP. BROWN said he had asked **Mr. Braun** to provide the wording in other states, and he asked **Mr. Higgins** to explain it.

Mr. Higgins said **Mr. Braun** had provided the wording of a dozen other states regarding the section with the exclusive remedy provision. He said he had conferred with other legislative staffers and they agreed SB323 does not take Montana outside of the exclusive remedy provision.

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REP. PRICE asked about vicarious liability.

Mr. Higgins replied there was no specific reference in other states.

REP. PRICE said that would not stop him from supporting the bill.

REP. MUSGROVE said he was concerned the bill went beyond "quid pro quo." He said this is a "take it or leave it" bill and it is not good for workers.

REP. PRICE said many people are frustrated with rates but that has nothing to do with this bill.

REP. LAIBLE noted this bill is not retroactive. He said it is really a result of the Supreme Court action in the Conoco lawsuit. He said there has not been any litigation since the decision and there are 13-20 suits pending. He said if they don't pass this bill, the state will be deluged with lawsuits, and then they would be leaving it up to the Supreme Court to do the legislative work for them.

REP. MATTHEWS said this is a really important issue to the people of Montana. He said 99% of the businesses were run by really good people. He said if he ran a business and sent his employee out to shovel the walk it could be said that when he sent the employee out he was aware of the danger. "If my employee fell while shoveling, I might get sued," he said. "Let's pass this bill," he said.

REP. MUSGROVE said the bill gives large corporations a "skate" and pits small businesses against working families. He said this bill goes too far in one direction.

REP. STEINBEISSER called this a good bill. He said he hired employees and without this bill he would have no liability.

Vote: Motion carried 12-7 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, and Tramelli voting no.

REP. SLITER will carry the bill in the House.

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EXECUTIVE ACTION ON SB330

Motion: **REP. WHITAKER** moved that **SB330 BE CONCURRED IN.**

Discussion:

Motion: **REP. WHITAKER** moved that **SB330 BE AMENDED.**

Discussion:

REP. WHITAKER said he wanted to insert "home or business" and "birth dates."

REP. GALVIN-HALCRO asked him what response he had from **SEN. MAHLUM** and the State Auditor to his amendments. He replied that **SEN. MAHLUM** agrees with him and the State Auditor didn't get back with him, and he asked them three times.

REP. GALLIK said he had talked to several individuals who were not in favor of adding "home or business." **REP. WHITAKER** said he was concerned with home web-based companies.

Vote: Motion carried 13-6 with Bitney, Bookout-Reinicke, Brown, Fritz, Galvin-Halcro, and McKenney voting no.

Motion: **REP. WHITAKER** moved that **SB330 BE CONCURRED IN AS AMENDED.**

Discussion:

REP. ROME said he would support it even though he did not like the SSN on there.

REP. BROWN asked if the tax ID was required.

REP. WHITAKER said small businesses can give the FIN.

CHAIRMAN MCKENNEY said they can unless they are incorporated.

REP. BROWN said he know how much of a red flag the SSN was.

REP. GALLIK said he was not incorporated and he had a FIN.

REP. GALVIN-HALCRO asked if Montanans would provide SSNs under this bill.

CHAIRMAN MCKENNEY replied the bill affects the principals who are out-of-state, not the direct marketers. He continued that he was not comfortable with the bill. He said the FIN was alright to require, but that the SSN was not originally for identification purposes. He said he would support it if it required a FIN, but not a SSN.

REP. GALLIK moved to add "or FIN" on Page 3, Line 30.

REP. BROWN said he was in favor of the amendment, but it didn't help with the SSN. He said most people are concerned about giving their SSN, and most "mom and pop" operations don't have FINs. He said he would support the amendment, but not the bill.

REP. GALLIK said that if an individual was in that circumstance they could go get a FIN, so they wouldn't have to disclose their SSN.

REP. PRICE said, "We are after corporations here, not little folks."

REP. LAIBLE said that during testimony somebody talked about FINs and that they don't let you know who the principals are. He said they could add "either or" to the amendment.

Brenda Elias, State Auditor's Office, said she was concerned about them being able to give either because that would make it difficult to track down that individual.

Vote: Motion failed 7-12 with Bitney, Brown, Fritz, Gallik, McKenney, Rome, and Whitaker voting aye.

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REP. LAIBLE said he still supported the bill.

REP. ROME said it was a good bill because these businesses preyed on the old and the young and there should be a way to track them down.

REP. BROWN said the people they were after would not comply with the law, and the good businesses would comply.

REP. KEANE said the bill gives the department a way to get them.

REP. LAIBLE asked **Ms. Elias** if the bill would help her be better able to track down these individuals who take advantage of others. **Ms. Elias** said it will be useful.

Vote: Motion carried 16-3 with Bitney, Brown, and McKenney voting no.

REP. WHITAKER will carry the bill in the House.

EXECUTIVE ACTION ON SB145

Motion: REP. LAIBLE moved that **SB145 BE CONCURRED IN.**

Discussion:

REP. LAIBLE said he was concerned about one thing: they can donate to charities at their discretion. He said this is not appropriate for state agencies.

Motion: REP. KEANE moved that **SB145 BE AMENDED.**

Discussion:

REP. KEANE said that after listening to REP. LAIBLE he would like to move to take out "charitable."

REP. LAIBLE said he would like to see the whole line out. He said some parts of the state might feel they did not receive the appropriate share of money.

Motion: REP. LAIBLE made a substitute amendment to take the whole line out.

REP. BOOKOUT-REINICKE asked who the scholarships were for.

REP. JUNEAU said they were for children of workers who had been killed.

REP. MATTHEWS said he opposed the substitute motion, but he could live with REP. KEANE's motion.

REP. LAIBLE said he agreed on the scholarships and he had no problem with that. The problem was, he said, that point had been made in testimony, not in the bill, as to where the scholarships went.

Nancy Butler, State Fund, asked if there was some way to address the educational scholarships would be only for the dependents of persons killed or injured. She added this bill was patterned off other states and it was up to the board to approve. She added this was probably not the most important thing in this bill.

REP. KEANE asked Mr. Higgins if the committee's intent would be on the record.

CHAIRMAN MCKENNEY said the whole discussion is on the record.

REP. BROWN said if we put it in statute the money is for a certain purpose, then we may be tying their hands. He said he thought the intent in the record was sufficient.

REP. LAIBLE withdrew his motion and asked to return to **REP. KEANE's**.

REP. JUNEAU noted the fiscal note stated the use and asked if that was intent.

CHAIRMAN MCKENNEY said the fiscal note does not follow the legislation, but it is a part of the record. He said it could be used on the question of intent.

REP. GALVIN-HALCRO asked about the word "charitable." **Ms. Butler** said this is similar to corporate language and provides maximum flexibility.

REP. PRICE pointed out that the State Fund is not a state agency.

Vote: Motion failed 5-14 with Bookout-Reinicke, Gallik, Keane, Laible, and Lawson voting aye.

Vote: Motion do concur on **SB145** carried 18-1 with Juneau voting no.

REP. MCKENNEY will carry this bill in the House.

EXECUTIVE ACTION ON SB428

Motion: **REP. GALVIN-HALCRO** moved that **SB428** BE CONCURRED IN.

Discussion:

REP. LAIBLE said he opposed the bill and that if they add more liabilities it would trigger higher rates.

REP. GALLIK said he would like to see this little increase.

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REP. KEANE said it would only raise the wage \$9-10 per week, which wasn't much considering Montana's average wage was 47th in the nation.

Vote: Motion carried 13-6 with Bitney, Himmelberger, Laible, McKenney, Rome, and Whitaker voting no.

REP. GALVIN-HALCRO will carry the bill in the House.

EXECUTIVE ACTION ON SB151

Motion: REP. LAIBLE moved that SB151 BE CONCURRED IN.

Discussion:

Motion: REP. KEANE moved that SB151 BE AMENDED.

Discussion:

REP. KEANE said this sounds like a local Missoula problem, and the bill is not needed for smaller colleges so he wanted to amend it to leave out colleges with less than 3000 students.

REP. MATTHEWS said he heard a similar bill last session and had voted no. It seemed to him it was a problem in the bigger towns, and felt the fitness centers did need some help.

REP. BROWN said the bill doesn't address the problem with private colleges. He also said the part most fitness centers wanted was stricken, and he predicted the bill would be back next session.

Vote: Motion failed 7-12 with Fritz, Galvin-Halcro, Juneau, Keane, Musgrove, Rome, and Tramelli voting aye.

REP. GALLIK asked if "mental fitness centers," like the Sylvan Center, would be considered a conflict.

REP. LAIBLE said he favored the bill because businesses create tax dollars so those tax dollars shouldn't be spent on competition with that business.

REP. FRITZ said she thought the university went out of its way to get along with businesses in Missoula. She opposed the bill because she said it would not help and would create a problem.

CHAIRMAN MCKENNEY said he supported the bill but that it didn't go far enough. He said had competed with non-private entities in the past in his business and it was not possible, and he eventually had to close.

Vote: Motion carried 11-8 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, Price, and Tramelli voting no.

REP. BROWN will carry the bill in the House.

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. JOE MCKENNEY, Chairman

JANE NOFSINGER, Secretary

JM/JN

EXHIBIT (buh62aad)